

State of California  
**BOARD OF EQUALIZATION**

**TRANSACTIONS (SALES) AND USE TAX REGULATIONS**

**Regulation 1823.5. PLACE OF DELIVERY OF CERTAIN VEHICLES,  
AIRCRAFT AND UNDOCUMENTED VESSELS.**

*Reference:* Sections 7261, 7262, Revenue and Taxation Code.

**(a) IN GENERAL.** This regulation relates to the place of delivery of certain vehicles, aircraft, and undocumented vessels for the purpose of the transactions (sales) tax only. It does not apply to the use tax. Thus, even though the sale of the vehicle, aircraft or undocumented vessel is exempt from transactions (sales) tax under this regulation, the use tax will apply if the property is principally stored, used or otherwise consumed within the district. Beginning January 1, 1988, if the vehicle, aircraft or undocumented vessel is licensed or registered in any district imposing the tax, the retailer is considered as engaged in business in that district and is required to collect the use tax and pay it to the state.

**(b) DELIVERY OUTSIDE DISTRICT.** For the purposes of the transactions (sales) tax, "delivery to a point outside the district" shall be satisfied:

(1) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-district address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his principal place of residence and

(2) With respect to commercial vehicles by registration to a place of business outside the district and a declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

**(c) DEFINITION — "COMMERCIAL VEHICLE."** For the purposes of this regulation, "commercial vehicle" means a vehicle of a type required to be registered under the Vehicle Code used or maintained for the transportation of persons for hire, compensation, or profit or designed, used, or maintained primarily for the transportation of property. Passenger vehicles which are not used for the transportation of persons for hire, compensation, or profit are not commercial vehicles.

**(d) RECORDS.** Any seller claiming exemption under this regulation must retain in his records the declaration executed in the prescribed form. If the exemption claimed relates to the sale of a vehicle, the seller also must retain in his records a copy of either the Department of Motor Vehicles report of sale or other documentary evidence showing the out-of-district address to which the vehicle is registered.

**(e) FORM OF DECLARATION.** The declaration shall be in substantially the following form:

**Regulation 1823.5. (Continued)**

- (1) For vehicles (other than commercial vehicles), aircraft and undocumented vessels:

**DECLARATION**

(Vehicles, Aircraft, Undocumented Vessels)

I HEREBY CERTIFY THAT:

- (1) The (here insert description of vehicle, aircraft or undocumented vessel giving name of manufacturer and type) purchased from (insert name of seller) will be registered to the following address:

\_\_\_\_\_  
\_\_\_\_\_

- (2) The above address is outside the (name of district) District.

(3) The address is my principal place of residence (or, in the case of a corporation, principal place of business).

(4) The vehicle, aircraft or undocumented vessel when not in use will be kept, garaged, hangared or docked at:

(5) The vehicle, aircraft or undocumented vessel will be stored, used or otherwise consumed principally outside the (name of district) District.

(6) ☐ (a) The purchaser does not hold a California seller's permit.

☐ (b) The purchaser holds California seller's permit No. \_\_\_\_\_ .

(Check applicable box.)

I understand that this declaration is for the purpose of allowing the above named seller to treat the sale of the above described tangible personal property as exempt from the transactions (sales) tax imposed by the (name of district) District. If the property is principally stored, used or otherwise consumed in that district, the purchaser shall be liable for and pay the use tax.

The foregoing declaration is made under penalty of perjury.

\_\_\_\_\_  
PURCHASER

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
AUTHORIZED AGENT

\_\_\_\_\_  
DATE

(2) For commercial vehicles:

**DECLARATION**  
(Commercial Vehicle)

I HEREBY CERTIFY THAT:

(1) The \_\_\_\_\_ (*here insert description of commercial vehicle, giving name of manufacturer and type*)  
purchased from \_\_\_\_\_ (*insert name of seller*) will be registered to the following address:

\_\_\_\_\_  
\_\_\_\_\_

(2) The vehicle will be operated from the following address:

\_\_\_\_\_  
\_\_\_\_\_

(3) The address from which the vehicle will be operated is outside the \_\_\_\_\_ (*name of district*)  
District.

(4) When not in use, the vehicle will be kept or garaged at:

\_\_\_\_\_  
\_\_\_\_\_

(5) The vehicle will be stored, used or otherwise consumed principally outside the  
\_\_\_\_\_ District.

(6) ☐ (a) The purchaser does not hold a California seller's permit.

☐ (b) The purchaser holds California seller's permit No. \_\_\_\_\_ (*name of district*) .

(Check applicable box.)

I understand that this declaration is for the purpose of allowing the above named seller to treat the sale of the above described tangible personal property as exempt from the transactions (sales) tax imposed by the \_\_\_\_\_ (*name of district*) District. If the property is principally stored, used or otherwise consumed in that district, the purchaser shall be liable for and pay the use tax.

The foregoing declaration is made under penalty of perjury.

\_\_\_\_\_  
PURCHASER

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
AUTHORIZED AGENT

\_\_\_\_\_  
DATE

## Regulation 1823.5. (Continued)

*History:* Adopted December 8, 1970 effective January 15, 1971.

Amended March 30, 1988, effective June 16, 1988. Amended subdivision (a) to require that retailers of certain vehicles, aircraft and undocumented vessels must collect the transactions use tax from the purchaser if such vehicles, aircraft and undocumented vessels are licensed or registered in any district imposing a transactions (sales) and use tax pursuant to AB 2446 (Chapter 308, Statutes of 1987).

Amended April 5, 1989, effective May 28, 1989. Amendment explains that transactions tax will not apply to a vessel registered under the Harbors and Navigation Code to an address out of the district of sale and purchaser declares under penalty of perjury that such address is his/her principal residence.

Replaces repealed sections of the Harbors and Navigation Code with the appropriate Vehicle Code sections.

*Regulations are issued by the State Board of Equalization to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law. If you are in doubt about how the Sales and Use Tax Law applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.*